

HOUSE OF REPRESENTATIVES  
I MINA'BENTE OCHO NA LIHESLATURAN GUAHAN

2006 (SECOND) Regular Session

INTRODUCED BY: J. Lujan

DATE: 12/27 P.M.

DATE: 12/11/06

Bill No. 397 (Ec)

Introduced by:

J. A. Lujan

**AN ACT TO AUTHORIZE CREDITS AGAINST GROSS RECEIPTS TAXES FOR BUSINESSES WHO CONTRIBUTE TO THE DEVELOPMENT AND CONSTRUCTION OF THE MULTI-PURPOSE SPORTS COMPLEX AT FATHER DUENAS MEMORIAL SCHOOL.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** The Guam Legislature recognizes the  
3 importance of developing and maintaining athletic facilities to enhance the  
4 development and growth of such sports as football, soccer, tennis, baseball, softball,  
5 and rugby on our island, and encourage youth, adult and family participation in  
6 athletics and other sporting and outdoor activities. Quality athletic programs and  
7 activities not only promote physical fitness in our young people and citizenry, but  
8 also enhance self-esteem and impart valuable life skills, such as teamwork,  
9 cooperation, respect, fairplay, focus and discipline. Despite the importance of such  
10 programs and activities, there is a severe shortage of quality athletic facilities on  
11 Guam, in part as a result of the damage caused by the typhoons and super-typhoons

1 that have plagued Guam in the last decade as well as our stagnate economy over the  
2 same period.

3 The Guam Legislature finds that Father Duenas Memorial School, with its  
4 existing sports facilities and real property available for additional facilities, provides  
5 a suitable location for the development of a multi-purpose sports complex. Such a  
6 complex would benefit and be utilized by students throughout Guam as well as  
7 numerous youth and adult teams and organizations. In addition to interscholastic  
8 sporting and other events held throughout the school year the Father Duenas  
9 Memorial School multi-purpose sports complex could be available to accommodate  
10 summer or holiday sporting events, concerts, and other events that would benefit all  
11 the people of Guam.

12 **Section 2. Tax Credits.** (a) Against Gross Receipts Taxes. To the extent that any  
13 business contributes towards the development, construction, maintenance, or  
14 improvement of the multipurpose sports complex at the Father Duenas Memorial  
15 School, including parking facilities, such business shall be entitled to credits against  
16 Gross Receipts Taxes. All tax credits referred to in this Act shall mean tax credits  
17 applied against Gross Receipts Taxes. (b) Maximum Amount of Tax Credits  
18 Authorized. The aggregate amount of tax credit authorized by this Act for all  
19 contributors shall not exceed Five Million Dollars (\$5,000,000.00). For each

1 contributing business, the tax credit authorized by this Act shall not exceed the  
2 actual dollar value of the expenditures, materials, labor and services by that  
3 contributing business for the development, construction, maintenance and  
4 improvement of the Father Duenas Memorial School multi-purpose sports complex.

5 (c) Determination of Contribution Amount. The amount of contribution or value of  
6 any donated materials, labor and services use in the development, construction,  
7 maintenance, and improvement of the multi-purpose sports complex at the Father  
8 Duenas Memorial School shall be at the standard pricing and rates of such  
9 contributing business. (d) Approval of Contributions. Father Duenas Memorial  
10 School or its designee shall be responsible for approving the contributions made  
11 towards the development, construction, maintenance, and improvement of the  
12 multi-purpose sports complex at the Father Duenas Memorial School.

13 **Section 3. Administrative Rules and Regulations.** Subject to the provisions of  
14 this Act, the Guam Economic Development and Commerce Authority ("GEDCA")  
15 shall administer the tax credits portion of this Act pursuant to the existing Guam  
16 Raceway Park rules and regulations.

17 **Section 4. Severability.** If any provision of this Act or its application to any  
18 person or circumstances is found to be invalid or contrary to law, such invalidity  
19 shall not affect other provisions or applications of this Act that can be given effect

1 without the invalid provisions or applications, and to this end the provisions of this  
2 Act are severable.

3 **Section 5. Fines and Penalties.** To the extent that a business providing materials,  
4 labor or services for the Father Duenas Memorial School multi-purpose sports  
5 complex takes more tax benefits in terms of business gross receipts taxes than the  
6 actual value of the materials, labor or services contributed to the project authorized  
7 herein, that business shall be required to pay all interests and penalties applicable  
8 under Guam law and the Internal Revenue Code for failure to pay taxes in addition  
9 to payment of the actual taxes due.